

## **Subject 303**

### **Individual Retirement Accounts qualified for \$6,000 exemption**

Effective for tax years beginning January 1, 2001, if you received an IRA distribution after reaching the age of fifty-nine and one-half (59 1/2), the first \$6,000 is exempt from tax. Premature distributions made on account of the participant's death or disability also qualify for the exemption.

All other premature distributions or early withdrawals including, but not limited to, those taken for medical-related expenses, higher education expenses, or a first-time home purchase do not qualify for the exemption.

A qualified IRA distribution should be reported on line 18 of the AR1000.

Each taxpayer is allowed a maximum \$6,000 exemption from all qualified IRA's, pension and disability plans.